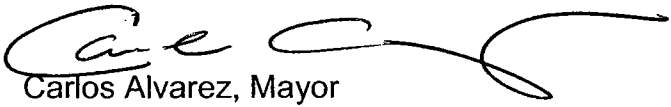




MEMORANDUM
OFFICE OF THE MAYOR

DATE: March 31, 2005

TO: Honorable Chairperson & Members
Board of County Commissioners

FROM: 
Carlos Alvarez, Mayor
Miami-Dade County

SUBJECT: Budget Message – Fiscal Year 2005-2006

In accordance with Section 1.10(D) of the Miami-Dade County Charter, I respectfully submit my Fiscal Year 2005-2006 (FY05-06) Budget Message for your consideration. The Charter requires that I deliver a budget message in March and a response to the Proposed Budget in July. Because expenditure and revenue projections continue to be adjusted and departmental resource allocation meetings are still ongoing, this message primarily focuses on my recommended priorities for the FY05-06 budget. My July message will contain further specificity regarding proposed millage rates and funding levels, and may revise my recommendations based on the latest available financial information, such as the final State budget.

Introduction

I am honored to present my first Budget Message as Mayor of Miami-Dade County. As a career public servant and lifetime resident of Miami-Dade, I know that while this county has made significant economic and cultural strides, I believe so much more can be accomplished. This message reiterates what I committed to when I took office five months ago: This county has tremendous potential, and we need to increase accountability and responsiveness to our citizens so that Miami-Dade can be the best and safest place to live, work, and play – a place where our residents are proud to call home.

In the coming years, we must continue to focus on making Miami-Dade County government leaner, smarter and more dynamic to ensure the preservation and enhancement of critical services. Due to double-digit growth in the property tax roll (estimated to be 12.5% this year) and the need to provide property tax relief to our residents, **I challenge the Manager to propose a budget that incorporates a lower total operating tax rate than the current year's rate.** I trust that this Board, who has the legislative authority to set the actual tax rate, will concur that a tax rate reduction can be accomplished without materially affecting County services.

To minimize the financial burden on our citizens, our government needs to continue to do more with less. As we reduce costs and maintain services, we also must make strategic long-term investments to meet the growing demands of our community, as well as safeguard the integrity

of those investments for our future generations. Overall, I recommend maintaining the conservative fiscal strategies that have been successful so that we can continue to provide vital services to our community, build strong neighborhoods, increase our reserves, and stimulate our economy.

My budget priorities, all of which have equal merit, are as follows and detailed below:

- I.) Strengthen our Financial Position
- II.) Ensure an Accountable and Effective Government
- III.) Improve County Services
- IV.) Increase Access to Affordable and Quality Healthcare
- V.) Provide Secure and Reliable Transportation Systems
- VI.) Enhance Public Safety Initiatives
- VII.) Support Social Services for the Community, Elderly and Children
- VIII.) Promote our Economy and Housing Environment
- IX.) Protect the Environment
- X.) Continue Investments in County Facilities, Neighborhood Infrastructure, Parks and Cultural Programs

I.) Strengthen our Financial Position

a) Reserves and Carryover

Maintaining adequate reserves and cash carryover is important not only for financial solvency and bond ratings, but for being prepared for unanticipated emergency situations or budget shortfalls. The hurricanes last year provided us with a reminder of the importance of local government to its citizens. As a first responder and provider of public safety, emergency and health services, county government has responsibilities that, in the face of tragedy or disaster, are enormous.

I commend the Manager and this Board for establishing the Emergency Contingency Reserve in FY03-04, which will grow to more than \$100 million over the next seven years, and the Emergency Preparedness Reserve in FY04-05, which would provide for up to \$500,000 from the Contingency Reserve for the purchase of supplies and miscellaneous needs upon declaration of a County emergency, and grow at the same rate as the countywide tax roll. It is vital that the Contingency Reserve continues to be funded and that it is not utilized except in the most urgent of circumstances. A similar reserve for the unincorporated area budget is still needed, and I am requesting that the County Manager establish a policy for funding this reserve.

While tax roll growth has averaged in excess of 6% since 1990, some of our operating expenses have grown by higher rates. Recently, the real estate market and new construction in South Florida has grown above average; however, we cannot assume that this same trend will continue indefinitely. I expect the County Manager to continue enacting cost savings measures to ensure that we do not unfairly burden our taxpayers in the future. In addition, the County

Manager should consider a policy of returning any unexpended carryover from individual General Fund department's budgets to the County's General Fund each year, for future years' non-recurring expenditures.

b) Bond Ratings

A review of our fund balances and internal transfers should be conducted to make certain that they are at appropriate levels and are not putting our bond ratings at risk, especially with the recent passage of the "Building Better Communities" General Obligation Bond (GOB) Program and the approximately \$6 billion in County bonds currently outstanding. I am particularly concerned with the Water and Sewer Department's (WASD) situation. As reported in the latest financial forecasts, the WASD's bond rating is in jeopardy because the department is depleting its reserves and has insufficient revenue streams to cover the system's financial requirements. The FY05-06 budget must address this revenue shortfall. Reducing – and eventually eliminating – WASD's annual transfer to the General Fund needs to be seriously considered. We cannot continue to require a department to compromise its ability to provide services in order to subsidize the General Fund, especially when WASD already makes payments to other departments for services received, in addition to the transfer.

c) Federal and State Budget Impacts

In anticipation of reductions in intergovernmental revenues, I recommend that alternative funding sources begin to be identified now. I am requesting that the Manager prepare a report after the legislative session that includes a list of the affected County programs, what funds were appropriated this year and next year, if any, and how the County might address the difference. I look forward to receiving legislative updates as they occur during the session. We should make every effort to identify County matching funds, where applicable, to prevent the loss of any grants.

Because the amount of federal, state, and local grants can literally determine the fate of a program, I recommend adequate staffing of the Revenue Maximization and Grants Coordination Unit within the Office of Strategic Business Management (OSBM) so that it can continue to coordinate with all County departments and provide outreach to the community, to ensure we, as a County, are receiving and leveraging all existing state and federal funding streams, as well as applying for grants from all available sources. The Unit's success in doing this should more than cover their operating budget.

d) Incorporation and Annexation

While our countywide tax roll continues to grow, the unincorporated municipal service area (UMSA) budget continues to be impacted by incorporation and annexation. If the County continues to provide contract services to municipalities, we should analyze those revenues and expenses to determine viability, properly price the services, and/or adjust service levels, if needed. I firmly believe that the County should be responsible for providing contracted services to our municipalities where feasible, but not at the expense of services provided to core customers. Furthermore, the County Manager needs to proceed cautiously in projecting receipt

of mitigation payments as part of future UMSA budgets, as the mitigation policy is still to be finalized.

Notwithstanding population growth and other factors, one effect of incorporations and annexation should be a reduction in the size of our workforce. At over 31,000 employees, a 9% increase since FY00-01, a careful review of the County's staffing levels for every department and program is warranted and a written report should be prepared by the County Manager prior to adoption of the FY05-06 budget. Every department should be able to justify every position on their table of organization or the position should be eliminated.

II.) Ensure an Accountable and Effective Government

I am confident that our investments in the Commission on Ethics, Office of Inspector General, the Miami-Dade Police Department's Public Corruption Unit, and other agencies who work in conjunction with these departments, will continue to allow them to expand their investigation efforts in detecting corruption, fraud, and mismanagement. Because our government is so large and complex, we need to have as many safeguards in place to uphold the public trust and send the message that impropriety and illegality will not be tolerated. We need to encourage greater coordination and communication among our fraud prevention units to increase effectiveness and promote swift resolution of cases. The County Manager must provide adequate resources to these agencies and consider additional funding requests, if required to carry out their responsibilities. To advance sensitivity to ethical issues, we must continue to require ethics training of all our employees and members of County boards.

Given limited resources, we must continue to streamline, innovate, and simplify our operations so that we can deliver services at a higher quality level, with better flexibility at a lower cost. I recommend the ongoing critical evaluation of programs and services to determine the best method of providing them. I expect the Performance Improvement (PI) Division of OSBM, and other similar County entities, to be more proactive in identifying potential efficiencies and making recommendations for process improvements, as well as actively engaging the Board in its progress.

We must consider alternative ways of delivering services, such as through public partnerships with non-profit and community-based organizations. Aligning our efforts and resources in this manner could enhance the efficiency of our operations and our ability to provide improved services to our citizens. I urge you to sponsor programs that increase the use of volunteers to help maintain parks and neighborhoods (such as the Adopt-a-Park program, Baynanza, etc.), which help offset County maintenance costs while fostering pride in the community. Corporate sponsorships should also be pursued, where appropriate, as a means of financing certain services, facilities or events.

Budgeting decisions involve difficult choices because the needs far outweigh the funding available. The County Manager has focused his priorities for managing Miami-Dade County on strategic initiatives identified through the County's first Strategic Plan. We need to continue to utilize tools such as focus groups and citizen surveys, such as the Community Score Card, to

gauge how we are doing, where we have improved and what we need to do to meet citizen expectations. As we move forward, we must always stay committed to the outcomes that are most important for our residents and businesses. We further need to continue to refine our performance measures and hold department directors accountable for meeting these goals.

Our County employees are the most important part of this organization, and I believe they should have the opportunity to build upon their skills to perform their jobs in the most effective manner. I therefore recommend that every County department's budget include some component of employee training or enrichment. The County has an abundance of professional, quality employees with specialized backgrounds, so outside consultants should only be used as a last resort when in-house talent is unavailable. I strongly oppose the County's heavy reliance on contracted consultants. It is essential that the County Manager propose how we can reduce the amount spent on consultants, as well as the number of consultants retained, so that we can redeploy more resources internally.

We must make every effort to set appropriate user fees and charges that only recover the costs of providing and maintaining the service and are not solely for revenue-generating purposes. I will not support any fee increases, besides those tied to inflation or other indexes, which are not thoroughly reviewed and justified.

III. Improve County Services

There is always room for improvement in every service this county provides. However, I would like to place special emphasis on the following areas:

a) Building Department

Permitting is a necessary procedure as part of the County's role in planning the public space, protecting the environment, and safeguarding the public. However, while there have been improvements in the way building permit services are provided, the permitting process still impedes development and causes construction delays and cost overruns, as evidenced by complaints that continue to be raised by the community and industry. There are numerous departments involved in the permitting process, but the Building Department serves as the point of contact for applicants.

In December, I asked the County Manager to convene a working group of professionals from the private and public sectors to formulate recommendations on making the permitting process more efficient and customer-friendly. This plan was discussed in a March workshop before the Infrastructure and Land Use Committee and again presented to private developers for their feedback. I will be meeting with the industry and the County Manager in the near future to put the plan to work and implement revised processes. I trust that the Building Department, and other related departments, will be budgeted appropriately to effectuate any of the mandated recommendations.

b) Property Appraiser

The Property Appraiser's main responsibility is determining the value of all property within the county for tax purposes. The accuracy of every individual tax assessment is crucial in the determination of the fair amount of taxes every property owner pays, besides being a state requirement. Miami-Dade's real estate market has been so dynamic and exhibited such growth that I am concerned about the impact on our taxpayers. Especially with the fast-paced expansion of new construction and building improvements, it is imperative that the department has adequate staff to inspect each property so that all changes are reflected in the property tax roll. I expect the County Manager to provide the department with sufficient resources to employ its Computer-Assisted Mass Appraisal system for FY05-06 to ensure that property assessments are as precise as possible and equitable.

We need to ensure that all eligible property owners are taking advantage of available property exemptions. I am disturbed that there are qualified low-income elderly property owners who are not aware of the Senior Homestead Exemption, which allows for up to an additional \$25,000 reduction in taxable value. There are at least two new property exemptions proposed in the Legislature, but it is not clear that they have the backing to be passed in the current legislative session. As elected officials, we need to demonstrate united support for tax relief mechanisms for which the net fiscal impact is relatively minimal. I am requesting that the County Manager develop new public outreach programs, utilizing existing Property Appraiser staff, with specific emphasis on property exemptions and property owner's rights and responsibilities.

c) Elections

I would like to express my sincere gratitude to the Elections Department, County staff, and poll workers for the efforts and countless hours dedicated to producing organized and effective elections. However, I am concerned that the actual costs for the August and November 2004 elections were 73% and 94% more than budgeted, respectively. I realize that statutory mandates, such as early voting, have driven up the cost, yet we need to institute more cost-efficient protocols while maintaining the integrity of the system and voter confidence. I urge the County Manager to focus on establishing realistic cost estimates, study best practices, and budget the Department at appropriate levels in the future. While our citizens' Constitutional right to vote is paramount, we cannot allow the department to have a blank check. The County Manager must also ensure that we budget for potential distributions under the Campaign Finance Trust Fund, if it is not repealed.

d) General Services Administration

The General Services Administration (GSA) is integral in our County departments' ability to service our residents. As our main internal service provider, GSA's services should be priced competitively or better than those of outside providers. However, the Board and County departments have repeatedly questioned the Department's services and charges. As you know, the problems vary from complaints related to exorbitant costs or inter-department transfers to slow service. For example, if GSA provides space to a department, the charge should resemble

"fair market value," not the amount required for GSA to balance their budget. Because of these recurring issues, some reorganization may be necessary. When the FY03-04 budget was adopted, the Manager stated that a comprehensive review of GSA would be conducted. I am requesting that the Manager provide a report summarizing the findings of the reviews that have been done thus far, what recommendations have been implemented, what reviews are still pending, and a proposed timeline for implementation.

IV. Increase Access to Affordable and Quality Healthcare

a) Public Health Trust

In order to meet the healthcare needs of our residents, especially the uninsured, we must continue to improve our public health system. I want to commend the County Manager, Public Health Trust (PHT) President and Chief Executive Officer Marvin O'Quinn, and all other involved parties, on working together to restore financial stability to Jackson Memorial Hospital (JMH). Unfortunately, we waited too long to initiate the necessary reforms to prevent their multi-year deficits. However, it is the County's responsibility to provide support to the PHT as it proceeds with "Recreate Jackson" and imposes stricter controls and cost-savings reforms, tightens procurement policies and changes management policies to prevent future deficits.

Any financial commitments to the PHT, above and beyond the County Healthcare Sales Surtax and the formula-based General Fund contribution, may be one of many obligations that our current and future budgets did not anticipate. Given the size and complexity of JMH, it will no doubt take time and resources to accomplish the restructuring that must occur. While the County has its own financial challenges, we may need to consider funding a portion of the over \$100 million annually in mandates currently required of the PHT.

The financial crisis faced by JMH has detracted from the fact that it is one of the largest and most comprehensive public hospitals in the nation, recognized nationally for the quality of its patient care, teaching and research. We must continue to focus on ways to improve the paying patient to charity ratio, in part by providing hospital beds where demand dictates, as well as offering more treatment locations to increase accessibility.

b) Office of Countywide Healthcare Planning

The Office of Countywide Healthcare Planning (OCHP) is a valuable health planning and outreach mechanism that is not being fully utilized. While the Director is expected to start on May 1, the department has only had an Interim Director and one support staff since its creation in 2003. The OCHP was originally tasked with assisting the Board in promoting greater transparency, accountability, fiscal and service responsibility in the healthcare delivery system; however, insufficient staff has limited its ability to perform these functions.

Increasing participation in federally-funded health benefit programs can and should be accomplished through community outreach by the OCHP. Studies have shown that 30 to 50% of individuals that qualify for Medicaid have not registered and only about 1.8 million of the

estimated 4.7 million eligible low-income seniors and persons with disabilities have applied for a Medicare drug discount card, which entitles them to \$600 worth of drugs. Many are also not aware of the existence of patient assistance programs, which provide free or nearly free medication to persons, regardless of age or income, subject to eligibility requirements. I recommend that the County train staff or volunteers to educate the community about available federal and state programs and assist them in the application process. This would decrease the uninsured population in our community with few local dollars. The County should also provide this information in conjunction with other outreach efforts, such as at Free Tax Filing Assistance sites, which targets this population. Due to the importance of providing access to healthcare in our community and the urgency to develop policies for the planning and delivery of countywide healthcare services, I am requesting the Manager to provide funding to fully staff the OCHP.

c) Kid Care

This past January, a coalition of local community and children's organizations conducted a successful outreach initiative to enroll children in the Florida KidCare program, a government-subsidized health insurance program for lower income children whose families do not qualify for Medicaid, but whose income is less than 200% of the federal poverty level. During the 1-month enrollment period, the County set up a tri-lingual (English, Spanish, and Creole) KidCare Hotline for callers to ask questions about the program and request an application to be sent to Tallahassee. In this short time, the Hotline received over 3,000 phone calls and 2,644 applications for qualified children were forwarded to Tallahassee. Since the hotline was so successful, we need to continue our efforts in promoting this and similar programs, as the State eliminated KidCare outreach funding over a year ago. In the past, hotline operators were funded by community organizations and trained by County personnel. I urge the County Manager to work with the OCHP to ensure this much needed outreach is continued and that any necessary funding is provided.

d) Health Insurance for County Employees

No individual or organization has been insulated from the dramatic increase in health insurance costs over the past few years. In the past five years, the County's spending on health benefits has more than doubled. It is in everyone's best interest to consider any opportunities for keeping health insurance premiums down for our employees while not impacting benefits.

Self-insurance, as recently proposed by the County Manager, may be a viable option, but we must proceed cautiously since the County would be assuming more financial risk, even if stop loss insurance is obtained. If a self-insured funding arrangement is negotiated in 2006, I trust that some of the savings realized will be returned back to employees, such as in the form of lower premiums or other benefits.

Healthier employees have reduced stress, reduced absenteeism, and a better psychological well-being. According to the Center for Disease Control and Prevention, wellness programs can substantially reduce health costs while improving employee health. At one company, its health insurance costs have grown an average annual rate of just 2.5% since the inception of their

wellness program in 1992, far below the national average of 12%. Thus, while the RFP process is underway, I am requesting that the County Manager report back on other methods of minimizing health cost increases, such as providing a gym at a central County facility, offering discount gym memberships, one-on-one nutrition counseling, and/or educational sessions at work about heart disease, diabetes and other preventable health problems.

V. Provide Secure and Reliable Transportation Systems

Miami-Dade County must strive to offer effective and efficient transportation options that not only meet our everyday needs, but also ensure we are prepared to meet future demands. Improving our transportation system is crucial for public safety and the economic vitality of our county. In November 2002, the voters expressed this belief by voting to tax themselves in order to enhance our existing Transit system. We must protect the integrity of the People's Transportation Plan (PTP) and deliver what was promised to voters. Past, current and future funding shortfalls in Miami-Dade Transit (MDT) need to be resolved prior to the approval of the FY05-06 budget.

The Maintenance of Effort (MOE) for MDT needs to be set at a level sufficient for its budget to be balanced, and only after a comprehensive Transit system review is conducted – as directed in my PTP Amendment Veto Message – to establish that expenditures are reasonable and revenue projections are sound. For the FY05-06 budget, an appropriate MOE contribution must be included, as well as a framework to fully fund pre-Surtax services and a policy for annual MOE adjustments in subsequent years. We need to work along with the Citizens' Independent Transportation Trust (CITT) to make certain that the surtax is only used for projects included in Exhibit 1 of the PTP ordinance and that the funds are used in the most responsible manner.

One of our most important economic engines, Miami International Airport (MIA), needs to devote adequate resources to secure and operate its facilities, while being directed to find ways to reduce costs and improve our rate structure to increase our competitiveness. We must continue negotiating with the Federal Government to recover expenses incurred in complying with post-September 11th regulations and to streamline our security procedures to process travelers quicker. I also anticipate that we attract more low-cost carriers to bring more traffic to MIA.

I expect MIA to complete its \$4.8 billion Capital Improvement Program as planned by 2010, with portions of the project being open as they are completed. Negotiations with American Airlines continue with respect to cost overruns on the North Terminal Project, and I look forward to a favorable resolution being reached that enables us to remain within the CIP budget. I am convinced that the Aviation Director's selection process will yield an experienced, competent Director that will work closely with this Board and myself to make MIA the airport of preference.

VI. Enhance Public Safety Initiatives

a) Enhanced Enforcement Initiatives

Public safety is directly correlated to quality of life – the more we invest in crime prevention and law enforcement, the better the quality of life for our residents and visitors. Since 1996, violent

crime has reduced by 41% and non-violent crime is down 40%. We can credit these achievements over this time period not only to the hard work of our dedicated police personnel, but our commitment to Enhanced Enforcement Initiatives (EEI): pro-active and aggressive programs to combat crime like the Tactical Narcotics Team, Robbery Intervention Detail, truancy enforcement, warrant sweeps and street gang suppression. To reduce these rates further, it is essential that the police department is provided with the necessary resources to sustain and expand these initiatives. Lower crime rates not only make our streets and neighborhoods safer, but contribute to a better economy: more people will want to move to the area, attend our schools, invest in our properties, open businesses and host events. I also recommend providing adequate funding to the Miami-Dade Police Department (MDPD) ensure that all available sworn positions are filled.

b) Corrections & Rehabilitation Department

The Corrections & Rehabilitation Department is one of the largest jail systems in the country, with an average of nearly seven thousand (7,000) persons incarcerated in its seven (7) detention facilities. I am concerned regarding the fact that all of the facilities are operating above their rated capacity and two of the facilities – The Pre-Trial Detention Center (PTDC) and the Training & Treatment Center (TTC) – are past due their 40-year building code recertification.

Construction, renovation, and repair should be ongoing and is necessary to maintain capacity, combat dilapidation, and improve functionality, while preventative maintenance and safety inspections on a regular basis will help ensure safe and secure detention centers that meet local needs, operate efficiently and cost-effectively, and are in compliance with code and standards. As a result of constant over-capacity use, our facilities will experience a faster rate of deterioration that might ultimately lead to health and/or safety deficiencies. While the GOB is providing funding for the renovation and expansion of the PTDC and the construction of a new 2,000 bed TTC, the department has over \$300 million in unfunded capital needs related to the renovation and upgrade of facilities to minimum required standards. I am requesting that the County Manager identify all high-priority repairs/replacements and preventative maintenance required and then proposes a multi-year funding plan. I also expect that the County Manager will be identifying funds needed for the final repairs of the fire alarm and smoke evacuation system at the Turner Guildford Knight Correctional Center in the current fiscal year.

c) Victims Services

Navigating the criminal justice system is intimidating for victims of crime and sometimes discourages them from pursuing counseling and other follow-up treatment. Without organizations like The Victim Services Center (VSC), a non-profit that provides support and advocacy for crime victims, many of these victims would return to their existing predicaments with few skills to prevent a reoccurrence. The VSC is one of the only organizations that provide this service in Miami-Dade County, but it may have to close its doors due to the loss of its grants. I am supportive of bringing the services of the VSC under the County's jurisdiction if a funding mechanism and a mutually beneficial operating arrangement are established.

Combining resources and services under one roof would increase the likelihood that victims of crime access needed services and are treated with dignity and respect.

d) Mental Health

Last year's Miami-Dade County Grand Jury report cited several grim statistics about inmates with mental illness in our criminal justice system. South Florida has the highest percentage of mentally ill persons in its general population. It is estimated that Florida's local jails have become the largest public psychiatric hospitals, housing five times more people with mental illnesses than the state's psychiatric institutions. Miami-Dade County taxpayers spend approximately \$18 per day to house general population inmates, while the cost for housing inmates with mental illness is \$125 per day. These facts speak to the critical need to reevaluate how we treat mentally ill inmates in our jails.

I am looking forward to working with the mental health provider community and stakeholders to propose a timeline for the implementation of recommendations from the jury report and to initiate better interagency communication and agreements with regards to coordination of discharge procedures. These discussions and changes are necessary to ensure a continuum of care and reduce the incidence of mental illness. The major challenge is that certain legislative actions must occur – and funding support must be obtained – before many local changes can take place. Therefore, I urge you to direct our legislative delegation to support mental health legislation that would enable the initiation of meaningful reforms.

Funding in the GOB for a short-term mental health facility is one example of our commitment to eliminate the revolving-door mentality that has plagued these inmates for far too long. I further commend the Board for the Mental Illness Intervention Program adopted in January 2005, in which you directed the County Manager and MDPD to create a program to specially handle police encounters involving the mentally ill. I am supportive of efforts by the MDPD to review its policies and procedures with respect to mentally ill suspects and encourage the department to dedicate the necessary resources to respond to this important issue.

VII. Support Social Services for the Community, Elderly and Children

a) Community Development Block Grants

As you are aware, the President's proposed FY2006 budget includes a major reduction in funding to the Community Development Block Grant (CDBG) program. While we do not know what the revised allocation will be, we need to have a comprehensive strategy in place to mitigate the impacts of any reduction. There have been positive developments as a result of our "Save CDBG" campaign in collaboration with the National Association of Counties; however, I want to repeat my previous position that it is our responsibility to do what we can to ensure that the needs of our community continue to be met. I trust that the County Manager and our economic development agencies will be working closely with past CDBG recipients to make sure that CDBG funding for this year (and reprogrammed funds from previous years) are used

efficiently and effectively and no new capital projects are started if additional CDBG funds are not available.

I continue to support funding for Community-Based Organizations (CBO's) because of their significant contributions to our community. Although the County makes substantial investments in CBO's, funding requests always far exceed available allocations. Each Commissioner has the ability to competitively distribute funding to deserving CBO's in their district through their individual District Discretionary Reserve, currently funded at \$300,000 per district. I receive countless funding requests, but do not have a mechanism in place for responding to these needs; therefore, I propose the creation of a Mayor's Discretionary Reserve that is funded at the same level as the District Reserves. As with any discretionary reserves, I would only support this if an award system based on objectivity, performance and competition is in place.

b) Elderly

Our elderly is an often neglected segment of our population, but we have a moral obligation to take care of those who took care of us. I will continue to champion County programs for the elderly, such as the Golden Passport Program, Meals to the Elderly, and the Hurricane Shelter Program. We must use every opportunity to reach out to the community and ensure that all eligible senior citizens take advantage of these and other services.

Because of the specialized issues and concerns of the elderly, I also recommend that the County have a Senior Citizen Advocate to identify and defend services for older residents and their families, such as transportation, meal programs, housing and referral services, as well as to reach out to elderly-related non-profit associations and CBO's for coordination of outreach and services. The Senior Citizen Advocate should be similar to the Child Advocate, but will not necessarily require the creation of a new position, as the County Manager might designate the role to various County employees that already manage or are involved with elderly affairs.

The additional Senior Homestead Exemption and the Granny Flat Exemption (for new construction of parent or grandparent quarters) are other valuable programs that minimally impact our property tax roll while providing targeted tax relief to benefit our elderly homeowners and extended families. Without these programs, many of our seniors would not have the financial means to maintain the homes they have invested in their entire life. We must continue to explore additional avenues for property tax relief, which may require a constitutional amendment to allow us to do.

In the upcoming year, I will be launching the Mayor's Elder Wellness Initiative, a series of promotional, educational and fitness activities to be held exclusively for senior residents (55 and over). The focus will be on fitness and wellness, but also to promote awareness of available resources and individual rights. This initiative can only be made possible by support from non-profit and corporate sponsors. The County should pursue additional funding to support these activities, which will improve the livelihood of our eldest residents.

c) Children

Besides investments in transportation and infrastructure, the success of a community is contingent on the investments that we make in our most precious commodity – our children. I intend to work with our Superintendent and School Board to ensure that efforts to improve our educational system are augmented with our full support. We should also support relatively low cost public-private partnerships or volunteer programs that operate after-school activities, offer mentoring or expand homework centers that can help keep our children off the streets. The Senate and House recently adopted budgets that will result in deep cuts (\$200 billion over five years) to children's programs, including education, Head Start and child care. The County's Children's Budget must be aligned with the initiatives being funded by the independent Children's Trust to ensure that there are no areas or special needs being left out.

Early intervention is the key to ensuring our children stay out of trouble and become productive members of society. I support efforts of the Miami-Dade Criminal Justice Council, the Miami-Dade County Youth Crime Task Force and our Juvenile Assessment Center to reduce and eliminate juvenile crime. We further must seek to enhance and expand existing programs targeting juvenile gangs and tap into available federal and state funds dedicated to the eradication of gang violence.

VIII. Promote the Economic and Housing Environment

One of the most important things a local government does is provide an environment that attracts employers, encourages business expansion and expands opportunity. With our world-class tourist attractions, rich cultural history, diverse residents and ideal location, it is regretful that we are living in one of the poorest counties in the United States.

Infrastructure improvements through the GOB will lay the foundation to attract and retain economic development, but we must also support economic development initiatives that will result in retention and expansion of base jobs and long-term capital investments. We need to assist and encourage that investment, from entrepreneurial start-ups to the retention of our core businesses. The implementation of the Small Business Enterprise (SBE) Program needs to be expedited to ensure that our certified small businesses are guaranteed a portion of the more than \$700 million in County purchases each year. I recommend funding for the continuation of the Mom & Pop Grants program, an effective program for improving and stabilizing small businesses. I further recommend that the County Manager review and revamp, if necessary, our prompt payment procedures to ensure that small businesses are willing and can afford to work with Miami-Dade.

We need to work hand-in-hand with those who promote tourism, attract industries and develop our cultural climate, such as the Beacon Council, the Greater Miami Convention & Visitor's Bureau, and the Miami-Dade Sports Commission. I support economic development initiatives such as the Qualified Target Industry (QTI) program, but I urge the Beacon Council to propose ways to eliminate loop holes, e.g. once they receive the full tax credit here, they can leave to take advantage of the credit elsewhere. We must also continue our efforts in making Miami-

Dade County the place where the economies of the Western Hemisphere unite by becoming the permanent Secretariat of the Free Trade Area of the America (FTAA).

Through our affordable housing programs, we will be able to improve our economic base by making it possible for our residents to have long-term residences. Our Miami-Dade Housing Agency's successful Infill Housing Initiative has improved stability of our urban neighborhoods and increased the County's property tax base by developing affordable housing from abandoned lots, while receiving no direct funding from the County. In 2004, the County successfully conveyed and/or bidded over 200 lots, and developers have built over 600 homes on privately owned properties. With additional funding for the program (staff, marketing, etc.), we could considerably increase these numbers. We must also continue to make available subsidized mortgages to qualified homebuyers through our Miami-Dade Housing Finance Agency.

One of the current barriers to promoting infill or affordable housing development is that certain County liens are not waived and these costs are generally passed on to the homeowner. To address this, an Infill Trust Fund should be created to eliminate certain liens (water and sewer, meter charges, etc.) and attorney costs for clean title (approximately \$2,500 in attorney fees). Tax increments from the new housing developments could finance the Trust Fund. We need to continue identifying new ways to attract development and increase our affordable housing inventory, such as formally adopting an inclusionary zoning ordinance, which gives incentives to developers to dedicate all or a portion of new units to affordable housing. This concept allows lower-income households to live in areas they could not normally afford, providing access to better employment and education opportunities.

IX. Protect the Environment

Record growth during the past decade is stretching the limits of our infrastructure and resources. Responsible development must be pursued while ensuring proper environmental safeguards are in place. I have made it clear that I am committed to keeping the Urban Development Boundary (UDB) where it is, and not moving it, unless absolutely necessary because tampering with the UDB could impact our water supply, our rural areas, our agricultural industry, our wildlife, our economy and more.

We need to continue evaluating our current and future needs in all aspects of county management and growth. The County Manager must work with the South Florida Water Management District to ensure that adequate funding and technical assistance is provided to complete the South Miami-Dade Watershed Study this year. As we await the recommendations from the Study, I expect the County to be more engaged in the creation and preparation of legislation, policies and processes which provide for smart growth opportunities within the UDB. We further need to generate long-term solutions to funding the County's infrastructure needs while not remaining so dependent on impact fees. I encourage efforts to partner with municipalities and neighboring counties to develop a regional approach for future planning.

X. Continue investments in County Facilities, Neighborhood Infrastructure, Parks and Cultural Programs

Our future depends on how we implement the \$2.9 billion "Building Better Communities" Program which voters overwhelmingly passed last year. In big ways and small, these funds will enhance the quality of life for all residents – from new sewer connections and street signs to employment opportunities and economic growth. There are more than 300 neighborhood and regional projects to carry out over the next 15 years. We must ensure that we deliver the specified projects in priority order, on time and on budget. I commend this Board for revising the Master Bond Ordinance to express our intent to keep the countywide debt millage no higher than the current 0.390 mills, because that is how the GOB was sold to our voters.

We are about to undertake the largest GOB program of its kind in the Southeastern United States that will be scrutinized locally and around the nation. We must ensure that there is transparency and accountability every step of the way to guarantee that the money is spent efficiently and as promised. Citizen involvement is critical to making this happen. I would support a strong Citizens Advisory Committee to monitor implementation of the program and review expenditures to ensure the most responsible use of funds.

Departments, such as Public Works, have requested additional staff in anticipation of their role in carrying out GOB-funded projects. Furthermore, we must have sufficient staff to supervise and/or maintain improvements made to our parks. County departments cannot be expected to perform their core functions and absorb additional responsibilities at their existing funding level without affecting service quality. We need to shift duties of current employees and/or fund these additions – while timing recruitment to workload – to meet project completion deadlines, as expected by the voters. Furthermore, with the abundance of capital projects in the pipeline, it is necessary that the County Manager institute mandatory Replacement & Renewal budgets for their long term maintenance. Maintaining these investments is certainly preferable to having to replace them.

We must keep in mind the perspective of our residents who see the direct impact of services from their driveways and that of tourists who visit our parks and attractions. The County Manager has often stressed "the little things" that go a long way in improving public perception. As such, I recommend continued and enhanced support for anti-graffiti and litter programs that make our neighborhoods cleaner and safer.

As work on the Performing Arts Center (PAC) continues, we must continue to work with all parties to ensure that our world-class PAC stays within the revised budget and opens on schedule in August 2006. I personally toured the facility and was pleased with its progress. Even though Convention Development Tax (CDT) dollars are being allocated to the Performing Arts Center, they are dollars for which we, as elected officials, are responsible for and must wisely allocate their use. This is especially important as we enter final negotiations with the City of Miami and the Florida Marlins. My support for the new ballpark is clear, but is based on a secure financial agreement to recover all monies bonded and a concrete cost overrun

guarantee. I am confident that the County, City and Marlins will be able to finalize negotiations in time for the Miami Marlins' ballpark to open in time for the 2008 season.

Closing

I believe the budget priorities I have proposed are fiscally responsible, while at the same time mindful of the needs of this community. In the most basic terms, the final budget should enhance services for our residents, set aside emergency reserves, strengthen our economy and invest in our future.

I encourage the Board to consider my recommendations as you allocate County resources for the upcoming fiscal year. I look forward to working with all of you throughout this budget process and building upon your previous accomplishments.

- c: Honorable Harvey Ruvin, Clerk of Courts
Honorable Joseph Farina, Chief Judge, Eleventh Judicial Circuit
Honorable Bennett H. Brummer, Public Defender
Honorable Katherine Fernandez-Rundle, State Attorney
George Burgess, County Manager
Robert A. Ginsburg, County Attorney
Marvin O'Quinn, President/CEO, Public Health Trust
Charles Anderson, Commission Auditor
Kay Sullivan, Director, Clerk of the Board